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..... *News and Views* from the Farm Management Staff



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UNITED STATES DEPARTMENT OF AGRICULTURE
FEDERAL EXTENSION SERVICE
Division of Agricultural Economics Programs
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Dear Farm Management Extension Workers:

New Ideas and Methods

Mail-In Accounting Project in Michigan. A little over a year ago the Agricultural Economics Department at Michigan State started a mail-in farm accounting project on a pilot basis. Fresh from a year's experience in two counties, they are enthusiastic about the possibilities it offers. In fact, they are so well pleased that they are considering putting all of their farm accounts on this basis. The research men think highly of it, too, and are willing to put some research funds into the project.

Why they are trying it:

Farm records have been kept by Michigan farmers under the supervision of farm management extension specialists and the local county agricultural agents since 1929. These complete accounts have been summarized at Michigan State and a business analysis has been prepared. A breakdown of feed and other costs to enterprises has not been included.

Over the years, this effort has shown itself to have some very real values to Extension and to the university as a whole. Some of the values that can be identified are:

1. A strong personal tie has been established and maintained between MSU and cooperating farmers. This relationship has provided many valuable contacts for the university (for teaching, tours, etc.) as well as valuable direct contacts with MSU for the farmers.
2. The collected information has been widely used by teachers, extension workers, administrators, farmers, farm editors and others.
3. The project has provided an excellent means of keeping extension workers (and others) informed of problems faced and practices followed by farmers.
4. It has provided the opportunity for extension specialists to train county workers in the principles and method of farm management.

Some difficulties or areas where improvement is desired can also be identified:

1. The heavy seasonal demands of this project occur during the winter months. Since other demands on extension specialists are at a peak during this time, too, a tremendous workload is created and the manpower that can be devoted to other important activities is reduced.
2. The seasonal nature of the clerical demands means that full time help cannot be maintained and the difficult job of building up a competent hourly labor payroll must be faced annually.
3. The size and nature of the sample is determined mainly by the enthusiasm with which it is promoted in various counties.
4. It is difficult and expensive to obtain additional data needed and the use of data has been limited mainly to statistical description since accounting methods do not lend themselves to regression analysis.
5. The timelag between collection and publication is too long.

Here Is How the Mail-In Works. The farmer mailed all financial transactions to MSU on uniform printed sheets every month. Duplicate copies were kept by the farmer. The sheets were inspected for completeness and error and totals were computed for each sub-section. Receipt of the monthly form was acknowledged by letter on which farmers' questions were answered. Details of the monthly record were put on 80 column IBM code sheets.

During the last week in June, a visit was made to the farm by a graduate student and the assistant county agent after a short training period by the farm management specialist. They took inventories and made maps of the farm to which soil productivity ratings were assigned. In the future, agents will receive instruction then carry on alone.

In October, copies of the map were returned to the farmer, as well as forms that he filled out and returned with the November report that were needed to permit an analysis of crop production, the tenure situation, the family labor supply, and the landlord's income and expense statement.

IBM cards were cut, which summarize by months all entries in the appropriate columns of Schedule F, and sent to the farmers for filing tax before January 13.

The records are being summarized along with the regular accounts in the area. In addition, a release will be prepared, which summarizes monthly income and expenses and the production on the farms in the mail-in project.

Michigan State's Evaluation

Some objectives that have been fulfilled:

1. The strong personal tie between MSU and cooperating farmers has been maintained.
2. Because cooperators have put more reliance on the county agent than in the regular project, the county program has been strengthened.

3. All information formerly obtained is available and much more is possible.
4. Because transactions are current, extension agents, specialists and teachers can be more familiar with the problems and practices farmers are facing.
5. It offers an excellent opportunity to teach agents management and is acclaimed by agents as a boon to effective farm and home development.

Some potential objectives yet to be fulfilled:

1. Current results can be published during the year. (This is being done more completely this year.)
2. Additional information such as cost accounts, family living expenditures, and data for research in farmers' expectations is being planned.
3. Given an appropriate sample, extensive application of additional research techniques is feasible and much of the annual survey type of research may be eliminated.

Although this project can still be regarded as somewhat experimental, we felt that you would be highly interested in the thinking that MSU went through in establishing it and their experiences so far. A copy of questions and answers about the project that has been prepared by MSU is enclosed.

Highlights of Regional Meetings

The southern, north central and northeastern farm management regional committees have met since our last letter. The consensus of those attending seems to be that these were among the best that have been held and they are very enthusiastic about the prospects for high accomplishment in the months ahead. We share this enthusiasm. Although it is impractical to report all of the significant happenings, the following is a brief run-down of the meetings including lines of work under way.

Southern Regional Meeting. Since the committee has an interest in learning more about linear programming and its extension application, Gwynn Sutherland of North Carolina met with the committee to lead a discussion on its uses and limitations. Bryce Ratchford, also of North Carolina, commented on some extension experiences. Although several limitations were noted, the group found in it a possibility of relieving farm people of the burden of tedious arithmetic that has been such an obstacle in ordinary budgeting, and thereby greatly facilitating real comparison of several alternatives.

Subcommittees were instructed to:

1. Develop a popular publication for farmers on how to keep the records they need to keep for their purposes, foremost of which is income and social security tax reporting.
2. Move ahead on southern regional extension publications on social security and on income tax management.
3. Explore and prepare a statement on opportunities for cutting costs and for dealing more adequately with the risks in farming. (Canvass subject-matter fields for suggestions.)

4. Consider and report on how Extension can best carry out its obligation in rural development. (Present bill specifies use of intensive unit approach.)
5. Study how we can get farm management information into youth programs and teach it to young people.

New officers elected:

Byron Huddleston, Arkansas, was elected chairman for the coming year, and D. B. Jeffrey, Oklahoma, was elected vice chairman. E. P. Callahan FES, continued as secretary.

North Central Meeting. Considerable attention was given to various approaches being used to help farmers recognize business adjustments that they can make that will increase income. Special consideration was given to cutting costs. Most of the States reported publications of some type on this topic and were giving it considerable emphasis in their educational program.

Subcommittee assignments:

1. A manuscript was presented for review on "Use of Credit As a Tool in the Farm Business." The committee approved going ahead with a final draft of the manuscript. The author of the manuscript is Aaron G. Nelson of the Omaha Farm Credit District, Consultant to the Committee.
2. The subcommittee on Farm Credit and Finance was charged with the responsibility of developing a suggested outline of an extension program in farm credit.
3. The social security bulletin issued last fall will be revised including any new legislation and pointing up management implications.
4. The Farm Planning Committee was charged with exploring the techniques in problem solving and relating the principles and tools of management to problems that farm families face.

New officers elected:

A. W. Anderson, South Dakota, was elected chairman for the coming year and L. H. Barnes, Ohio, was elected vice-chairman. Everett Peterson, Nebraska, was elected secretary.

Northeast Regional Meeting. Some special areas of work discussed and developed, in addition to farm and home planning, which is an important part of all meetings, were changes needed in farm leasing arrangements, application of soil bank principles to northeast farms, helping farmers with their feed and machinery costs, providing longer-time outlook information, and farm management work with 4-H and young farmer groups.

The work of two subcommittees resulted in (1) a publication by New Hampshire on "Legal Terms and Obligations Common to the Farm Business" (now being printed), and (2) a "Farm and Home Development Workbook for Poultrymen" by Massachusetts (now in use and to be revised). Regional publications suggested for future consideration by the committee were in regard to part-time farming, getting established in farming, and credit analysis.

Three new subcommittees were set up to:

1. Explore the possibilities of a regional publication on the principles and background involved in long-range planning of agriculture in the Northeast.
2. Prepare a manual for county agent use on some of the principles and concepts of management with practical specific illustrations from northeast farms.
3. Outline a program of activities in management and related business affairs suitable for (a) 4-H elementary school-age groups, (b) senior 4-H groups, (c) young adults - out of school and unmarried, and (d) young married couples in farming.

New officers elected for 1956-57 were chairman, W. T. McAllister, Delaware; and vice-chairman, S. B. Weeks, New Hampshire. L. M. Vaughan continues as secretary.

You Should See

*U.S.D.A. to Launch Soil and Water Conservation Needs Inventory. This comprehensive interagency effort is to be completed in 3 years and is intended to equip the Department to more effectively plan and carry out soil and water work. An interagency committee will be set up at the national level to guide the work, and comparable committees will be set up in the State and local level.

*Report of Production Economics Research Advisory Committee lists important economic problems. This report lists the problems in seven broad areas that, in the committee's opinion, merit early attention. The problems are listed in order of their priority. This report seems significant for extension workers since it may indicate somewhat the direction that research will be taking.

Here Are Two New Releases to Help Farmers Make Wise Machinery Decisions:

Leo M. Hoover, associate agricultural economist of the Kansas State Experiment Station, recently published Bulletin No. 379, entitled "Farm Machinery, to Buy or Not to Buy." This is a well-written research publication that sets out the considerations and essential information that farmers need to choose machinery wisely. It also has examples of partial budgeting techniques to use in making decisions. This bulletin is very timely and should be very useful to farm management extension workers. *Robert Finley, farm management specialist of Illinois, has developed mimeograph AE-3082, entitled "Fitting Power and Machinery to the Farm," that sets out the cost and accomplishment level by type of machine, as well as illustrating a method and information needed to determine when a given machine can be economically owned.

Massachusetts Extension Service has developed a Farm and Home Development Workbook for Poultry. This workbook for specialized poultry growers will soon be revised. However, individual copies of the current issue can be obtained while the supply lasts. Some of you in poultry areas would probably find this workbook useful.

What Age and Weight to Market Broilers. This is Bulletin 66, put out by Delaware. It sounds like important information for broiler areas.

* Limited copies enclosed.

We Can Call Them "Doc" Now

During the last few months Extension has had an intellectual uplift with several people finishing their doctor's degree at Harvard in Public Administration. Those

that have come to our attention are: Wm. Turner, North Carolina; Lyle Bender, South Dakota; and Mallory Thorpe, Tennessee. Congratulations gentlemen!

Personnel Changes

Clay Moore, formerly farm management extension man in Arkansas, has taken a research and teaching position at Missouri. Clay tells us that one of his duties will be to cooperate in an evaluation study of methods of doing balanced farming in Missouri.

Sincerely yours,

A handwritten signature in cursive script that reads "J. B. Claar". The signature is written in dark ink and is positioned above the typed name and title.

Farm Management and Production Economics Branch

J. B. Claar, Chief
E. A. Johnson
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